

JOSEPH S. FASTOW, M.D., M.P.H.

7900 WISCONSIN AVENUE - SUITE 406

BETHESDA, MARYLAND 20814

(301) 652-2707

3 December 07

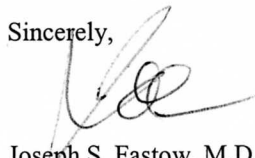
Mr. Ralph Tyler, Insurance Commissioner
Maryland Insurance Administration
525 St Paul Street
Baltimore, Maryland

Dear Ralph:

I would like to address the issues raised in your e-mail. I agree with you that too much time was spent on what was, rather than what ought to be. You questioned how serious a situation we could have, if you received no complaints. There are fundamental realities that need to be addressed in order to answer that question. First and foremost, doctors are not business people, nor are they attorneys. They practice in a highly fragmented and poorly organized environment that is increasingly difficult to sustain. Second, with only two insurers dominating the commercial insurance market, only the most successful independent clinical practices, and large groups, can afford to refuse participation. Many clinical practices in primary care fields have simply gone "concierge" or "payment at time of service" in prosperous areas. With no other alternative, most practices are compelled to sign a document that they could not afford to pay a law firm to interpret and negotiate on their behalf, twice! As a result, there has been sustained downward pressure on physician reimbursement and increasing demands for participation in plans that practitioners could not hope to understand. It has reached the point that clinical practices in many primary care fields are struggling to survive. You have heard few complaints because doctors are engaged in the healing arts, not the law, and few have the resources to challenge insurance regulation, not to mention antitrust constraints. With the cost of living what it is, and an adverse malpractice environment, Maryland no longer makes sense for many physicians. Commercial rates are below Medicare for most high volume services in Maryland while the national average is 120% of Medicare. As a result, clinical practice can't generate enough income to sustain our providers to a level comparable with other states. You will see abundant evidence of that in the Workforce Study to be presented next week. I see it every day trying to staff hospital based physician practices.

Ending the cram down mechanism is a first step, a line in the sand if you will, to demonstrate that two commercial insurers, and their combined leverage, will not be allowed to undermine our physician resources now and in the future. There are abundant choices for saving money in the current health care morass, and the Secretary appears open to exploring those options. However, using competition and market forces as a pretext for subjugating physicians is counterproductive. We are an essential resource and we are in short supply here in Maryland and nationwide. In order to attract and retain the caliber of physicians that our state deserves, we need to end the predatory advantage that we have allowed CareFirst and United to exercise. I will be happy to discuss this in person and I look forward to working with you to make Maryland a model for efficient and effective healthcare.

Sincerely,



Joseph S. Fastow, M.D., M.P.H., FACEP
Senior Associate
Johns Hopkins Bloomberg School of Public Health

JSF:vb